

ADM-15.11, "Petty Cash Funds,"

## SCDC POLICY/PROCEDURE

NUMBER: ADM-15.11

TITLE: PETTY CASH FUNDS

ISSUE DATE: June 1, 2015

RESPONSIBLE AUTHORITY: DIVISION OF FINANCE

OPERATIONS MANUAL: ADMINISTRATION

SUPERSEDES: ADM-15.11, (March 1, 2012); (January 1, 2001); (April 30, 1999)

RELEVANT SCDC FORMS/SUPPLIES: 15-24, 20-22

ACA/CAC STANDARDS: 4-ACRS-7D-16, 4-ACRS-7D-17, 4-ACRS-7D-20, 4-ACRS-7D-22, 4-4025, 4-4027, 4-4031, 4-4034

STATE/FEDERAL STATUTES: NONE

PURPOSE: To provide guidelines for the use of petty cash funds.

POLICY STATEMENT: The South Carolina Department of Corrections (SCDC) will maintain petty cash for use in an emergency situation provided that the item(s) are authorized to be purchased using either Industries funds or state appropriated funds. The purchase cannot be billed directly to the Agency. Petty cash will be safeguarded and disbursed in accordance with applicable SCDC policies and procedures, state and federal statutes, and accepted accounting guidelines. (4-ACRS-7D-22, 4-4031)

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### SPECIFIC PROCEDURES:

#### 1. AUTHORIZATION FOR MAINTENANCE OF PETTY CASH FUNDS:

1.1 The appropriate Division Director, Warden, or designee may forward a memorandum requesting approval for establishment of a petty cash fund through the Deputy Director of Administration, to the Division Director of Finance.(NOTE: The memorandum must include a justification of the need for petty cash funds.) (4-ACRS-7D-17, 4-4027)

1.2 Once approval is obtained from those listed above, the request will be forwarded by the Division Director of Finance to the South Carolina State Auditor for final approval.

1.3 Upon receipt of the petty cash funds, the appropriate Division Director or Warden will be responsible for:

- designating an employee and an alternate who will be responsible for managing and disbursing the petty cash funds; (4-ACRS-7D-16, 4-4025)
- submitting the name of the designated employee (and his/her alternate) to the Division Director of Finance, and notifying the Division Director of Finance if this individual is replaced for any reason; and
- contacting the Auditing Manager of Internal Audits when the designated and/or alternate employee changes.

2. ACCOUNTABILITY FOR PETTY CASH FUNDS: The Internal Audits section will be responsible for monitoring and, if necessary, auditing petty cash funds whenever a designated and/or alternate employee changes, as follows:

2.1 The individual turning over the funds will be responsible for counting the money in the presence of the individual receiving the funds and a third disinterested party.

2.2 The person receiving the funds will be responsible for again counting the money to ensure accuracy of the count.

2.3 All three (3) individuals will then be responsible for signing SCDC Form 15-24, "Petty Cash Turnover Audit," verifying that the funds are correct. A copy of SCDC Form 15-24 will be forwarded to the Internal Audits section and the Division of Finance. The original form will be maintained on file by the designated employee responsible for petty cash funds.

2.4 If there are any problems with the verification or if unusual circumstances exist, the Internal Audits section will be contacted and requested to perform an on-site audit.

3. SECURITY OF PETTY CASH: Petty cash will be secured in a locked box or safe at all times with access limited to the designated employee(s) only. If applicable, the safe combination will be changed after a designated employee leaves his/her position.

#### 4. REQUESTS FOR PETTY CASH PURCHASES:

4.1 Petty cash purchases will be limited to items:

- allowed to be purchased from state appropriated funds;
- needed in an emergency situation;
- obtained through a purchase that cannot be billed directly to the SCDC for payment; and
- needed by Prison Industries.

(NOTE: Petty cash funds will not be used for making personal loans or for cashing checks or money orders.)

4.2 Each single purchase will be limited to \$25.00, and duplicate purchases for the purpose of avoiding this limit will be prohibited.

4.3 The requestor will be responsible for completing SCDC Form 20-22, "Petty Cash Authorization," and obtaining the approval of the designated employee prior to receiving the money and making the purchase, except for Prison Industries. Prison Industries plant managers may approve petty cash purchases from Prison Industries funds. No purchases should ever be made without the prior approval of the designated employee.

4.4 Following the purchase, the original cash sales receipt will be given to the designated employee/alternate responsible for the petty cash fund. The designated employee will attach the sale receipt to the completed SCDC Form 20-22, "Petty Cash Authorization," ensuring that the Accounting Codes are correct and that the amount on SCDC Form 20-22 is the same as the sales slip. (4-ACRS-7D-20)

4.5 The Division Director, Warden, or designee will be responsible for requesting the reimbursement of the petty cash funds. Reimbursement for petty cash should be processed at least quarterly. The request for reimbursement of petty cash funds will be submitted to the Accounts Payable Section via a memorandum including a summary of the purchases as follows:

- General description;
- Fund;
- Cost-Center;
- Functional Area;
- G/L Account; and
- Total for that account.

The original SCDC Form 20-22, "Petty Cash Authorization," and the original cash sales receipt for each purchase will be attached to the memo and forwarded to the Accounts Payable Section. The requisitioner should retain a copy of the SCDC Form 20-22, "Petty Cash Authorization," and a copy of the cash sales receipt for audit purposes. (4-4034) 5. SCDC MEAL TICKETS:

5.1 SCDC meal tickets will be treated as a petty cash equivalent and will be provided the same security as petty cash, i.e., locked in a box or safe at all times with access limited to the designated employee only. Food service staff may not maintain or sell tickets. If applicable, the safe combination for meal tickets will be changed after a designated employee leaves his/her position.

5.2 Though cash is the preferred medium, employees may purchase meal tickets with personal checks for the amount of purchase only. Any checks taken in payment of meal tickets must be cashed and the cash replaced in the locked box or safe within three working days.

5.3 Meal tickets presented at the cafeteria must be defaced by the responsible food service employee.

5.4 The Division Director, Warden, or designee may purchase additional meal tickets from the Division of Finance.

#### 6. AUDITS/REIMBURSEMENTS:

6.1 Expenditures will be audited by the Accounts Payable Section and submitted to the South Carolina Comptroller General, who will again audit the expenditures and issue petty cash reimbursement checks.

6.2 Accounts Payable staff will be responsible for evaluating turnover rates of petty cash funds to determine if there is over/under usage of such funds and will take appropriate action as necessary to resolve such imbalances.

SIGNATURE ON FILE

—

s/Bryan P. Stirling, Director

ORIGINAL SIGNED COPY MAINTAINED IN THE OFFICE OF POLICY DEVELOPMENT.